



PORTLAND DISTRICT  
OFFICE

ANNUAL REPORT  
&  
NEWSLETTER

FY 2000

## ***A Word from our District Director***

*We are pleased to present to you our Fiscal Year 2000 Annual Report of our accomplishments for the Portland District office. As the reports indicate, we have achieved record levels of activity in loan making, government contracting and our business development activities. In FY 2000 we approved 601 small business loans, providing over \$167 million in financing to small businesses.*

*In the past year we have specifically targeted the "new markets", ensuring that businesses owned by minorities, veterans, women and businesses located in rural areas have access to the necessary resources to start and develop their businesses, and we have achieved record levels of assistance to these "new market" businesses. We are thankful and appreciative of the outstanding support that we receive from our lenders, resource partners, large corporations and other government agencies who have helped us to achieve these new heights.*

*In the past year we have increased the resources available to small businesses in our district office area. We established four new Business Capital Resource Centers (BCRCs) located in Klamath Falls, Corvallis, Eugene and NE Portland and will open a center in Bend in October 2000. BCRCs are where small business persons can go to get help in accessing financing for their businesses. We have signed up a new MicroLender in Medford, making small loans available to small businesses in that community.*

*We have continued our excellent relationships with our 6 SCORE chapters and 21 Small Business Development Centers and other resource partners, making business counseling*

*and training available throughout Oregon and Southwest Washington. The Business Resource Center, located in our office, continues to show increases in client use and continues to provide critical small business tools, and our*

*local SBA web page, with over 13,000 hits per year, is fast becoming the most important local small business resource on the internet. And in government contracting, we are assisting more disadvantaged businesses than ever before, providing these firms with record levels of federal government contracting opportunities.*

*Our next year will present us with new challenges and opportunities. We will continue to reachout to the "new markets" and to small businesses involved*

*in international trade to ensure that they have improved access to capital and credit to develop and grow their businesses. We will increase government contracting opportunities for disadvantaged firms, to women-owned businesses, and to firms located in areas with high unemployment and low income. We will increase business development assistance to those that are interested in starting or expanding their businesses with a special emphasis on increasing opportunities for disabled individuals.*

*Our office goal is "to provide quality resources that make a difference for small businesses". We strive to do that and more.*



A handwritten signature in black ink, appearing to read "Philip J. [unclear]". The signature is stylized and fluid, with a large loop at the beginning and a long, sweeping tail.

### ***Table of Contents***

Business Development Report .....	1
Success Story: Vancouver Bead & Antique Shop Opens .....	4
Minority Enterprise Development Report....	5
Small Business Person of the Year .....	6
HUBZone .....	7
NAICS .....	7
Finance Division Report.....	8
Success Story: Persistence Pays Off .....	8
Portfolio Management Division Report .....	9
Loan Production by Lender.....	10
Loan Production by County .....	12



### ***BUSINESS DEVELOPMENT REPORT: PORTLAND DISTRICT OFFICE AND RESOURCE PARTNERS TRAVELED NEW ROADS IN FY2000***

Several innovative programs enlivened Portland's outreach into the community in Fiscal Year 2000. Our resource partners in counseling and educating business, the SBDC's and SCORE in Oregon and Southwest Washington, also had a very active and successful year, working closely with the Portland District Office and helping to meet SBA goals.

#### ***Oregon's New Business Capital Resource Centers***

Starting and financing a small business became easier this year for many Oregon entrepreneurs. During fiscal year 2000 the Portland District Office recruited several small business organizations to pool resources to help entrepreneurs develop and grow their businesses. The first Business Capital Resource Center (BCRC) had its grand opening in March 2000 in Eugene, followed by openings in Klamath Falls, Corvallis, Northeast Portland and Bend. The BCRC's, designed to offer small business

assistance from easy-to-access locations, help business owners locate financing opportunities while assisting with support and expertise.

The cornerstone of the BCRC's is the strong partnership between the U.S. Small Business Administration, Oregon Economic & Community Development Department, Oregon Small Business Development Center Network, Service Corps of Retired Executives and other local community organizations. Each BCRC is unique in that it provides information specific to that community.

The BCRC partnership offers a full range of small business resources such as a library with information on numerous financial services and products, computer resources, and confidential counseling. Since the opening of the first BCRC, over 154 individuals have been assisted in their effort to research financing options, and fifteen, or approximately 10%, have been approved for financing.

For the nearest BCRC address, phone number and list of the community partners check out the SBA Portland District website at [www.sba.gov/or](http://www.sba.gov/or)

#### ***Walking About in the Neighborhoods***

In order to reach some underserved markets, the Portland District Office toured some Portland area neighborhood business during the past fiscal year. The first walkabout group visited African-American businesses on upper Martin Luther King Jr. Blvd, North Williams Ave., Northeast Alberta, and Killingsworth Streets on May 25th. This tour was reported on in the July 2000, Portland District News.

The enthusiasm generated by the first tour encouraged SBA to schedule a second tour in the growing Latino community in Tualatin. On August 31, 2000 SBA representatives were joined by Lisa Faust and Susan Otce-nas of Pacific Continental Bank, Marianne L. Pratt, Executive Director of the Tualatin Chamber of Commerce and Luz Brisbois, Owner of LuVON Financial Services and chamber member.



**BUSINESS DEVELOPMENT REPORT** (continued)

The first stop was El Sol De Mexico Restaurant. Owner, Isabel Moran, learned the restaurant business in Seattle, Washington and saved his money to start this restaurant. His second successful restaurant, El Patio, is located in Beaverton.

Casa Escobar, General Merchandise Store and Taqueria, sells Mexican products. Owner Maria Madrigal and her husband have upgraded the store to include a fast food section as well as a section for Spanish language TV video rentals. At 11 am, a line started forming in front of the taqueria, a sure sign of a successful business.

The group also visited with Mike Escobar owner of Metro West Realty. Mike also has a show on Radio Fiesta, a station that airs to 300,000 Spanish-speaking households. Mike attributes his real estate business success to the growing community of Latino family homebuyers.

Finally, the group had lunch at Juan Colorado's Mexican Restaurant and Cantina. Several parties were going on when the group arrived. Owners Alfonso Soltero and Mauricio Sanchez expect to open another restaurant, which will be located in the new Oregon City Shopping Center.

After lunch, the group visited John Bendit, owner of Upscale Automotive, Tualatin chamber member, and SBA's 2000 Oregon Business of the Year. (John's business was highlighted in the July 2000 Portland District News.) John gave the group a tour of his business and discussed Grupo Latino Americano. Grupo Latino is a group of members of the Tualatin Chamber of Commerce and is attempting to recruit more Latino Business Owners. John provided the van for our Tualatin business tour and topped the tour off by giving each member of the group a long stemmed rose.

### **An Innovative Year for the Service Corps Of Retired Executives (SCORE)**

The national SCORE organization reorganized its operations on October



1, 2000, eliminating regional operations. All district operations will be headed up by District Directors, who in turn will report directly to the national SCORE office.

Kurt Schauwecker is District Director for SCORE District 1086 with Alternate Dist. Dir. for Budgets Harry Kane and Alternate Dist. Dir. for Chapters Bob Bernhard. District 1086 includes six chapters: Chapter #11 - Portland, Chapter #269 - Medford, Chapter #416 - Eugene, Chapter #460 - Salem, Chapter #480 - Bend, and Chapter #566 - Vancouver, WA. During FY 2000 the six SCORE chapters counseled 7,614 clients and held 36 training classes with 847 attendees.

Several new communities have indicated interest in having a SCORE chapter. In most cases, SCORE will set up satellite operations until the local SCORE membership becomes large enough to form a separate chapter.

During fiscal year 2000 the SCORE Chapters worked actively to increase their membership, speaking engagements, and workshop attendance. Portland Chapter #11 initiated Saturday workshops, which have been very popular. Press releases resulted in appearances by SCORE members on local radio and television shows.

With the assistance of Sue Richardson, SBA's SCORE program manager, SCORE also focused on recruiting women business counselors. The collaboration with the IRS and West Coast Bank provides counselors from those two organizations every 2<sup>nd</sup> and 3<sup>rd</sup> Thursday of each month at the Business Resource Center, located within the SBA office. *Way to go SCORE!*

### **Another Successful Year for Oregon's Small Business Development Centers**

Since their startup in 1984, Oregon's Small Business Development Centers (SBDC's) have had one success story after another. Fiscal year 2000 was no exception!

According to the 2000 Economic Impact Study by Dr. Jim Chrisman, the Oregon SBDCs ranked 2<sup>nd</sup> in the nation in client satisfaction (95%). Compared to the total cost of operating the SBDCs, the counseling provided to clients generated \$31 in tax revenues for every \$1 spent on the entire operation.

During FY2000 the twenty Oregon SBDC's (17 at community colleges and 3 at state universities)

**BUSINESS DEVELOPMENT REPORT** (continued)

conducted workshops for 8,833 Oregonians and advised 6,502 clients in the areas of business start-ups, sources of capital, marketing and sales, inventory control, financial analysis, personnel, international trade, technology, and record-keeping. Several of the centers serve as intermediaries in the SBA Pre-Qualification Loan Program and participated in hosting numerous events throughout the year to promote SBA programs and services.

Southwest Washington SBDC counseled 82 clients with 859 cumulative hours during the first nine months of FY2000. Clark Community College (CCC) in Vancouver and Lower Columbia College (LCC) in Longview held 31 small business classes with 387 attendees. WSU-SBDC and LCC will be implementing a pilot net-counseling center in the Longview/Kelso area in November 2000.

SBDC's also provide an assortment of classes and workshops for every phase of a growing business. Oregon Coast Community College SBDC is one of Oregon's 15 centers that offer a Small Business Management (SBM) Program, a two- to three-year program, where the instructor spends time with the business owner at the owner's place of business, as well as in the classroom.

Robin Matthews, owner of the Touchstone Gallery just north of Yachats, is in her second year of the SBM program. Ron Spisso, SBM program coordinator at the Oregon Coast Community College SBDC, has been working with Matthews. "Pricing in the art business is challenging," Spisso said. "She can tailor the business concepts she learns in class to her own business, make a profit, and still maintain the close relationships with the artists in the field."

"Between the two of us we can take what might first seem to be a complicated theory and directly apply it to my operation," Matthews said. "Now, the steps I need to run my business are less time consuming and more profitable. It is fun."

To locate the Small Business Development Center nearest you in Oregon, contact the Network Office at 541-726-2250 or visit their web site at [www.bizcenter.org](http://www.bizcenter.org) or in Southwest Washington at 360-260-6372 or [www.sbdw.wsu.edu](http://www.sbdw.wsu.edu).

**Portland's Business Resource Center  
Hosts Foreign Visitors**

During the second year of operation the Business Resource Center (BRC) located at SBA was honored to receive visitors from Russia, Egypt and Mexico. Our visitors wanted to view first hand the multiple free resources small business clients can use to research, start and grow their business. They were taken on a tour by the SCORE volunteers on staff at the BRC and presented with a demonstration of various software programs. The visitors gained some valuable information and expressed a desire to return. The BRC assisted 2,344 clients during FY2000, including 749 women, 1,018 veterans and 419 minorities.

The BRC is a collaboration between the SBA and SCORE and is staffed by SCORE Chapter #11 members. It includes an extensive library, both in hardcopy and in computer software designed to assist small businesses. The BRC's numerous computers are fully linked to the Internet to take maximum advantage of the resources available. It is open Monday through Friday from 9 am to 4 p.m. For more information please call 503-326-3441.

**Women's Programs**

Several activities were initiated and accomplished this fiscal year to help women entrepreneurs. Sue Richardson, the Women Business Ownership Representative worked closely with the Portland Chapter of the Women Entrepreneurs of Oregon. She revised the list of women's organizations in Oregon and Southwest Washington used extensively by women business owners for networking opportunities. And, Sue and three women counselors from SCORE Chapter #416 staffed the SCORE/SBA booth at the Oregon Women's Business Conference in Eugene on Sept 14-15, 2000, sharing information with the attendees.

With help from the Portland District Office, Southern Oregon Women's Access to Credit, Inc. (SOWAC), located in Medford was added as a Pre-qualification Loan Program Intermediary. SOWAC also become a micro-lender (see related article).





**BUSINESS DEVELOPMENT REPORT (continued)**

The Foundation for Women Owned Businesses (FWOB), located in Portland, submitted its first Pre-Qualification loan package to SBA, which was approved and funded by Key Bank. The business is a restaurant located in downtown Portland, Mother's Bistro, and it was recently recognized as Restaurant of the Year by Willamette Week. FWOB continues to be an active SBA resource partner. Their participation in the Business Capital Resource Center located in NE Portland, demonstrates its commitment to assist women to succeed. Their semi-annual "Wine Women" event continues to draw a strong following.

**Portland's First Magazine-style Business Talk Show Still Going Strong!**



*Dream Builders*, Portland's first magazine-style business talk

show, has been televised monthly since February 2000. The half-hour show airs in most areas of Oregon and Southwest Washington on Portland Cable Access stations 11, 22, and 23. The cable access audience of 500,000 homes has the opportunity to hear advice on successfully starting or growing a thriving entrepreneurial enterprise.

"Statistically odds are against business start-ups," says Sylvia Gercke, co-producer and U.S. Small Business Administration Community Relations Officer. "The aim of ***Dream Builders*** is to reverse negative statistics through positive mentoring."

A few of the nationally recognized guests have included cookie maven, Debbie Fields of Mrs. Fields' Cookies; Oregon Public Broadcasting host, Hattie Bryant, and syndicated columnist and "Networking Ninja," Jerry Fletcher. This noteworthy program was highlighted in the April 2000 edition of the Portland District News. The SBA Portland District applauds the success of this innovative show.

For times and dates of programs check the websites of PCATV or the SBA Portland District office at [www.pcatv.org](http://www.pcatv.org) or [www.sba.gov](http://www.sba.gov).



***VANCOUVER BEAD & ANTIQUE  
SHOP OPENS WITH HELP  
FROM WSU's SBDC & LOCAL BANK***

They crammed for months, toiled over their business plan and pledged their houses as collateral. For Linda Malinowski and Deborah Miller, the process of establishing their small company was a mix of excitement, hard work, exhaustion and fear. They look back with satisfaction on their challenging journey to entrepreneurship and look forward to expanding their business in part by tapping into the public's interest in antiques. "This was more intense than going through my master's exam in education," says Malinowski, who taught school for 25 years.

"I feel like I can do anything now," adds Miller: "It felt like 12 years of college." The idea of opening a bead and antique shop was a natural one for Malinowski and Miller, who went to high school together in Pittsburgh and have been best friends for more than three decades. Both had been involved in the art of beading for many years and realized they could offer something that the shops they patronized didn't, amenities such as workspace and refreshments. "We wanted a place that was more user-friendly with a wider selection," Malinowski says. After they made the decision to start their own company, Malinowski and Miller turned to the Washington State University Small Business Development Center (SBDC) in Vancouver. They worked with the center to obtain and evaluate information about industry trends and local demographics, and received help with business plan development, marketing, financing and other issues.

"They had in their minds what they wanted to do, but translating that into numbers is not always easy," says Janet Harte, the center's Business Development Specialist.



"We learned a tremendous amount," Miller says of the process. She and Malinowski got their business off the ground by securing a Small Business Administration guaranteed loan through Today's Bank, absorbing another Vancouver retail store, then expanding and reinventing it based on their vision, a strategy Harte applauds. "They bought a certain amount of history," she says.



The business plan proved critical in many respects, including when their landlord wanted to see the document before negotiating a lease. A deal was reached, and Malinowski and Miller moved their inventory of vintage beads, antique furniture and other items into about 1,500 square feet of space last September. Zoe Beads attracts customers of all ages. It builds its inventory through wholesalers and collectors. Much of the business is fueled by word of mouth and professional connections, and Malinowski and Miller keep prices reasonable by staffing the store themselves.



### **MINORITY ENTERPRISE DEVELOPMENT REPORT:**

Fiscal Year 2000 was another banner year for the Minority Enterprise Development Program in contract activity. The Portland MED staff processed 191 contract awards for \$20.5 million and issued 197 contract modifications totaling \$9 million, for total contract activity of \$29.5.

Once again leading all agencies in the number of 8(a) contracts awarded was USDA's Agriculture Marketing Service (AMS) in Washington, DC. The AMS awarded 46 contracts totaling \$4.2 million. Leading agencies in the Pacific Northwest were USDA – Forest Service with 75 contract actions totaling \$7.0 million; Veteran's Administration with 16 contract actions for \$1.8 million; and the Corps

of Engineers with 15 actions for \$3.2 million.

### **8(a) Firms Honored**

Congratulations to the following businesses honored this year with special recognition for successful business development and contributions made to their communities:

Mr. Jeffrey Benge, President of Veraz Construction, Inc, Tualatin, OR, was presented the Small Business Administration's 2000 Minority Small Business Person of the Year award for the Portland District Office.

Ms. Rhonda Herschell, President of Cherokee General Corporation was also honored by the Minority Enterprise Development Committee for her demonstrated excellence in job performance and her skilled management that resulted in the success of her business.



### **Annual OAME & MED Trade Fairs**

The Small Business Administration continues to play an active role in the annual OAME Trade Fair and Luncheon and the Minority Enterprise Development Awards Luncheon and Trade Fair.

The successful OAME Event was held May 4, 2000 and drew more than 500 attendees to the luncheon. The event included advice, counseling and a workshop on the importance of Electronic Commerce. We look forward to another successful year in 2001!

Breaking previous records, The Minority Enterprise Development Week Awards Luncheon and Trade Fair was held October 5, 2000 at the Oregon Convention Center including 55 Government Procurement Offices and Prime Contractors and over 600 attendees. Governor John Kitzhaber provided opening remarks while SBA's Regional Administrator, Joann Francis, was the keynote speaker. Ms. Francis inspired the crowd, describing the SBA programs that have assisted the growth of minority businesses.



## **MINORITY SMALL BUSINESS PERSON of the YEAR**



Jeff Bengé was in the midst of a successful and award-winning property management career when the entrepreneurial bug bit. He had worked for his father's heavy construction company for years while growing up, learning to operate heavy equipment and understand the flow of the construction cycle. Now he wanted to run his own show.

In late 1996 Bengé purchased Bengé Sealcoating, Inc., a business established by his father in 1989. By the time of his purchase, Bengé Sealcoating had become relatively inactive. Jeff had big ideas for the firm. He began with limited working capital and a significant amount of personal debt. Jeff changed the name of the firm to Veraz Construction, Inc. Veraz is a Spanish word meaning "reliable & trustworthy."

Veraz Construction is a general contractor specializing in roadwork, seal coating, excavation, utilities, foundations and other heavy construction. In 1997, the first full year of Bengé's ownership, Veraz Construction's sales, at \$948,612, were 2½ times those for the previous year. This impressive growth trend continued in 1998, with \$2,575,975 in business. Total sales for 1999 exceeded \$4 million, more than a 150% increase over 1998, for another new company record. In early 1999, Veraz Construction acquired Special Asphalt Products, Inc., giving the firm more control over paving supplies and increasing its working capital and bonding capability.

The SBA has assisted Veraz Construction in its business development. As a participant in the 8(a) business development program, the firm has been awarded nineteen 8(a) contracts, totaling over \$3.9 million. Of these contracts, 13 have been completed and closed out, with the procuring agencies typically reporting high satisfaction with the firm's performance. In addition to receiving contract assistance, the firm is a protégé in the 8(a) BD program's Mentor-Protégé program, gaining valuable interaction with and guidance from its

mentor.

Veraz Construction was honored in 1999 with the USDA's national Small Disadvantaged Business of the Year Award, in recognition of the firm's outstanding support and service to the Forest Service. Earlier this year, Jeff Bengé was selected as the SBA's Portland District Office 2000 Minority Small Business Person of the Year.

Veraz Construction is supportive of the minority community and other minority-owned businesses. The firm has made it a practice to utilize other disadvantaged business contractors as subcontractors on its projects, and several employees are people of color.

The firm and Jeff also have been very active in community service endeavors. These include: construction of a \$15,000 asphalt walking path for Stafford Primary School's physical education program through the PTA; volunteer efforts in the American Cancer Society's 24 hour run and Jail & Bail event; Cascade Aids Project fund raising; Tri-Met Community Projects; Sheldon High School Youth Baseball Auction member and Oregon Department of Transportation roadside clean-up organizer.



## **SBA's SPEAKERS BUREAU**

The Portland District staff spoke to over 3,402 attendees at 69 functions during fiscal year 2000. Our staff is willing and eager to inform the community about our programs and services. To arrange for a speaker for your group or association contact Moe Mowery 503-326-5209.





## **HUBZone**

### **Empowerment Contracting Program**

The HUBZone Empowerment Contracting Program, administered by the SBA, became fully implemented on October 1, 2000. This effect of this program is to target billions in direct federal government spending to certified businesses, through contract set-asides and price preferences and thus improve economic conditions in the communities where those businesses are located.

This program is unique in federal procurement because in certifying businesses, SBA considers the location of the business and where the employees reside, but not the social or economic status of the business owner. The SBA calls this "Place Based" contracting. It should be noted that Federal government purchases from HUBZone certified businesses fall under the guidelines of the HUBZone program regardless of where the project or purchasing activity is located.

Qualified HUBZone areas are defined as 1) areas having high unemployment or low income, 2) any area within Native American Reservations boundaries, and 3) those designated by HUD. Oregon has an unusually large portion of the state that qualifies for the HUBZone program. There are currently 15 rural counties, 36 census tracts, and eight Native American Reservations that are considered HUBZones including the core areas of many of the major metropolitan areas including Portland, Vancouver, Salem, Eugene, Corvallis, La Grande, and Medford. Washington state also has a significant number of eligible areas with 18 counties, 89 census tracts, and 27 reservations.

In Oregon the federal government spent \$616 million on large procurements during 1999. In total dollars spent, Oregon ranked 40<sup>th</sup> among the 50 states and the District of Columbia. On a per capita basis Oregon was ranked as 48<sup>th</sup>. Washington was ranked 14<sup>th</sup> in per capita spending and 12<sup>th</sup> in actual spending with \$4.4 billion spent.

Currently there are more than 1,800 certified firms nationally with over 150 in Oregon and Washington. As a result of this program, businesses located in HUBZones will have improved chances of selling

to the government bringing them revenue and bringing job growth and increased prosperity in the areas where the need is the greatest.

You can search through a list of the certified firms by using the SBA PRO-Net® database at <http://pro-net.sba.gov> Additional information is available on the HUBZone web site at [www.sba.gov/hubzone](http://www.sba.gov/hubzone)

Application assistance is available in Oregon through the Government Contract Assistance Program (GCAP) at 1-800-497-7551. Or you may also contact the SBA Portland District Office at 503-326-2682.



## **HELLO NAICS**

## **GOODBYE SIC CODES**

NAICS (North American Industry Classification System) replaced the SIC (Standard Industrial Classification System) throughout the federal government, effective October 1, 2000. This new business classification system describes today's businesses better than the SIC codes.

Size standards based on NAICS provide more opportunities for small businesses to participate in Federal programs that give preference to small businesses. NAICS classifies over 350 more industries than the SIC codes. Most of these new industries are in the service sectors. In addition NAICS is more consistent in that businesses that use similar production processes are grouped together.

To determine the NAICS code, visit the Bureau of Census Web Site at [www.census.gov/epcd/www/naicstab.htm](http://www.census.gov/epcd/www/naicstab.htm).





## FINANCE DIVISION

With the continued support of our lending and resource partners, the Finance Division is pleased to report that 601 loans for \$167,459,770 were approved during fiscal year 2000. This represents an increase in the number of loans from the previous year and is the second best year on record.

Of the 601 approvals, 537 were 7(a) loans, 50 were 504 loans and 14 were MicroLoans. 360 or 67% of the 7(a) loans were approved at SBA's centralized PLP and LowDoc processing centers. During FY2000, seven pre-qualification loans were approved for \$700,500.

Providing capital to the "underserved markets" was a major component of SBA's marketing plan for FY2000. Underserved is defined as small businesses owned by ethnic minorities, women, veterans and includes businesses located in rural communities. The FY2000 year-end results are noteworthy as all of the Portland District Office goals for ethnic minorities were surpassed. For African-Americans we achieved 137% of the goal with 11, for Hispanic American 110% with 21, for Asian-Americans and Pacific Islanders 125% with 64 and for Native Americans 166% with 15 loans. We also had a record year for loans to women and veterans, exceeding last year's loan numbers, although falling somewhat short of the goal.

### **New MicroLender Added**

Southern Oregon Women's Access to Credit (SOWAC) has been designated by SBA as Oregon's second MicroLoan Program Intermediary Lender. SOWAC will provide MicroLoan services to qualified applicants in Jackson, Josephine, Klamath, and Lake Counties. SOWAC joins Cascade West Financial Services, Inc., which has been renewed as a MicroLoan lender in Lane, Linn, Benton, Clackamas, Hood River, Jefferson, Lincoln, Marion, Multnomah, Polk, Tillamook, Wasco, Washington and Yamhill counties. The MicroLoan Program can provide loans of up to \$25,000 to new and existing small businesses. MicroLoan funds may be used for working capital or to

purchase inventory, supplies, furniture, fixtures, machinery and/or equipment. Under this program, the MicroLender will also provide management and technical assistance designed to help ensure the success of the borrower's small business.

### **New Export EXPRESS Program**

A new loan program, called EXPORT EXPRESS is now available nationwide through all SBA EXPRESS Lenders. Export Express is streamlined and allows participating lenders to use their own form, procedures and analyses and requires a loan application turn-around of 36 hours.

Loan proceeds of up to \$150,000 may be used to finance standby letters of credit, revolving lines of credit and to finance expansions, equipment purchases, inventory or real estate acquisitions.

More information is available from the U.S. Export Assistance Center; contact Inge McNeese at 503-326-5498 or [inge.mcneese@sba.gov](mailto:inge.mcneese@sba.gov).



## PERSISTENCE PAYS OFF



Jon Crowe very reluctantly entered the world of commercial financing when his employer decided to relocate his job from the Oregon Coast to Portland, leaving no local service providers. Even though Jon had plenty of experience in doing large equipment repair work and the customer base to go with that expertise, four banks declined his loan application to finance the start up costs of his own business.

One of those bankers thought of the MicroLoan program offered by Cascades West Financial Services, Inc. and called for help. Since Jon did not know how to fill out the projections or the commercial application, Diane Searle, MicroLoan Coord-

inator, drove to Newport and helped Jon complete his application for financing. Jon's Equipment Repair mobile business was up and running within 2 weeks with a \$23,000 SBA MicroLoan. By the end of 1996, Jon's gross sales were \$70,000,

70% higher than the \$48,000 projected sales. By the end of 1997, the gross sales had increased to



\$188,400 which was more than 3 times the projected sales expected for 1997. Due to the high sales volume, Jon knew that he needed to add a repair shop to his mobile services and was able to obtain an SBA LowDoc loan to expand.

By April 1998, Jon used the LowDoc funds to purchase additional machinery and opened a repair shop in Toledo, Oregon hiring 3 mechanics, bringing the total number of jobs created to 5 full time positions. Jon still operates his mobile repair service and is expanding into tire sales and service out of his Toledo shop. Jon's gross sales for 1999 were over \$230,000 and he continues to grow and service clients in Newport, Toledo and the surrounding coast communities.

Jon's Equipment Repair has helped the coast communities keep the cost of large machinery repair and maintenance within reach without having to pay the additional mileage costs of service providers traveling from Portland. Jon, and his wife Eden, have taken advantage of the technical assistance provided through the MicroLoan program and can be very proud of the success and growth of their business.



## PORTFOLIO MANAGEMENT DIVISION

This year the SBA continued in its path, following the congressional mandate to sell portions of our portfolio to the private sector. The first asset sale was held in August 1999, with 4,060 SBA loans from throughout the country sold to one purchaser. The second asset sale, held on August 1, 2000, was much more extensive, with three bidders purchasing a total of 26,283 loans from the SBA national portfolio.

There were 2,339 loans in the Portland District Office portfolio at the end of FY2000, an increase of seven percent from the prior year. The currency rate as measured in "number of loans current" improved to 91.3% from 90.8%. The number of cases in liquidation increased by 14%, from 106 to 121. Of these, 17 were disaster loans, 93 were lender serviced and 11 serviced by the SBA.



## OREGON DISTRICT OFFICE WEBPAGE GETS HITS

In the first nine months of the new millennium, the Oregon District Office sub-page on SBA's Website received over 10,000 hits for a monthly average of over 1,100 visits.

Our Website is located at <http://www.sba.gov/or/>. The "Special Events" and "Calendar of Events" are major areas of interest to our visitors along with the listing of our PLP lenders. We also see interest in our new SUCCESS Story pages and in our Newsletters.

Two of our office staff, Penny Williams and Jim Steiner, are working to improve this Website as we bring you more information about what is going on in Oregon. Come and visit.



## FY 2000 LOAN PRODUCTION

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT \$'s
ALBINA COMMUNITY BANK	13	2,042,100
AMRESKO INDEP. FUNDING INC.	1	1,632,000
ASSOCIATES COMM. CORP. - DELAW	2	149,000
BANK OF AMERICA	14	1,181,400
BANK OF ASTORIA	1	520,000
BANK OF CLARK COUNTY	12	2,183,220
BANK OF SOUTHERN OREGON	2	205,000
BANK OF THE CASCADES	8	671,600
BANK OF THE NORTHWEST	1	100,000
BANK OF THE WEST	10	2,819,300
BANK UNITED	12	8,496,000
BORREGO SPRINGS BANK	3	1,355,000
BUSINESS LENDERS LLC	1	150,000
CASCADES WEST FINANCIAL SERVICES, INC.	17	6,868,000
CWFSI - MICROLOANS	14	249,400
CCD BUSINESS DEVELOPMENT CORP.	3	1,600,000
CENTENNIAL BANK	22	5,655,100
CIT SMALL BUS. LENDING CORP.	20	8,458,100
CITIZENS BANK	1	60,000
CITY NATIONAL BANK	1	302,000
COLUMBIA COMMUNITY BANK	1	35,000
COLUMBIA RIVER BANKING COMPANY	10	1,204,600
COLUMBIA STATE BANK	1	100,000
COMMUNITY FIRST BANK	2	240,000
COWLITZ BANK	3	646,000
EVERGREEN COMMUNITY DEVELOPMENT ASSN.	16	9,521,000
FAMILY SECURITY BANK	1	65,500
FIRST INDEPENDENT BANK	1	55,000
FIRST SECURITY BANK	1	51,500
FIRST UNION SMALL BUS. CAPITAL	14	9,843,200
GE CAP. SMALL BUS. FINANCIAL CORP.	7	2,740,100
GOLETA NATIONAL BANK	8	3,532,000
GREATER EASTERN OREGON DEVELOPMENT CORP.	1	262,000



### FY 2000 LOAN PRODUCTION (CONTINUED)

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT
HELLER FIRST CAPITAL CORP.	5	2,600,000
IMPERIAL BANK	3	1,140,000
KEY BANK	27	4,416,500
LIBERTY BANK	1	100,000
McKENZIE STATE BANK	1	95,500
MERCHANTS BANK	9	1,081,000
MID-VALLEY BANK	1	180,000
NATIONAL BANK OF ALASKA	1	80,000
NORTHWEST SMALL BUS. FINANCE CORP.	9	6,368,000
OREGON CERTIFIED BUSINESS DEV. CORP.	4	1,697,000
PACIFIC CONTINENTAL BANK	61	16,073,300
PACIFIC CREST	1	260,500
PEOPLE'S BANK OF COMMERCE	48	8,869,500
SCOTIABANK	1	150,000
SCOTT VALLEY BANK	1	60,000
SIUSLAW VALLEY BANK	1	180,000
SOUTH UMPQUA STATE BANK	5	762,000
TEXTRON BUSINESS CREDIT, INC.	1	60,000
TODAY'S BANK	7	924,045
TRANSAMERICA SMALL BUS. SERVICE	8	2,597,000
TWIN CITY BANK	1	35,000
US BANK, NATIONAL ASSOCIATION	49	18,650,700
VALLEY BANK	51	12,487,130
VALLEY OF THE ROGUE	1	91,100
WASHINGTON MUTUAL BANK dba WESTERN BANK	18	2,658,925
WELLS FARGO BANK	19	4,752,600
WEST COAST BANK	42	7,745,850
ZIONS FIRST NATIONAL BANK	1	351,000
TOTAL	601	167,459,770



## FY 2000 LOAN PRODUCTION BY COUNTY

COUNTY	NUMBER OF LOANS	TOTAL \$ AMOUNT
BENTON	8	1,946,000
CLACKAMAS	55	19,245,200
CLATSOP	6	3,066,400
COLUMBIA	7	3,951,500
COOS	4	805,900
CROOK	5	1,656,700
CURRY	1	65,500
DESCHUTES	37	12,321,800
DOUGLAS	8	2,441,500
GILLIAM	1	262,000
HOOD RIVER	6	2,808,000
JACKSON	60	12,355,100
JEFFERSON	7	981,700
JOSEPHINE	11	4,346,100
KLAMATH	2	484,300
LAKE	0	0
LANE	82	19,862,725
LINCOLN	18	6,960,900
LINN	9	927,600
MARION	32	8,246,180
MORROW	0	0
MULTNOMAH	105	28,514,800
POLK	1	415,000
SHERMAN	0	0
TILLAMOOK	0	0

**FY 2000 LOAN PRODUCTION BY COUNTY**  
(Continued)

COUNTY	NUMBER OF LOANS	TOTAL \$ AMOUNT
UMATILLA	2	1,390,100
WASCO	2	302,000
WASHINGTON	67	15,523,195
WHEELER	0	0
YAMHILL	11	2,960,050
WASHINGTON STATE		
CLARK	42	12,776,520
COWLITZ	11	2,763,000
SKAMANIA	0	0
WAHKIAKUM	1	80,000
TOTALS	601	167,459,770

★ ★ ★ ★ ★

★ ★ ★ ★ ★

